

## TITLE V PERMIT COMMENT ADDENDUM

**Engineer:** René Toledo  
**Source Name:** Agrium U.S., Inc.  
**Permit Number:** F-00470-8  
**Date:** July 15, 2010

### A. Public Comments:

The public notice was published on May 5, 2010, in the West Sacramento Press (see attached notice). The 30-day public comment period ended on June 4, 2010. No comments were received from the general public during the comment period.

### B. Source Comments:

As discussed above, the public notice began on May 5, 2010, and ended on June 4, 2010. On May 11, 2010, Agrium Environmental Specialist Mr. John Killey submitted written comments (see attached email). His comments and the District responses are summarized below.

Comment 1: Agrium would like for the "Facility Description" contained in the proposed Statement of Basis to indicate that the facility is capable of receiving and shipping anhydrous ammonia by ship, barge, truck, and rail.

Response 1: The District agrees with the comment and will use this Title V Permit Comment Addendum to document the Agrium facility is capable of receiving and shipping anhydrous ammonia by ship, barge, truck, and rail. The facility's description will be revised in any future versions of Statement of Basis.

Comment 2: Agrium would like for a portion of the compliance status discussion of 40 CFR Part 64, Compliance Assurance Monitoring (CAM), be revised to reflect that the nitric acid plant's non-selective catalytic reduction system (NSCR) is an emission control device that does not itself produce nitric acid.

Response 2: The District agrees with the comment and will use this Title V Permit Comment Addendum to document the nitric acid plant's NSCR system is an emission control device that is not integral to the production of nitric acid. The plant's NO<sub>x</sub> specific NSCR system is listed as a "NO<sub>x</sub> Decomposer" in the Control Equipment Inventory of Permit to Operate (PTO) P-37-82(a2). As summarized in Section 5.1.2 of the U.S. EPA's Alternative Control Techniques Document for Nitric and Adipic Acid Manufacturing Plants (12/1991, Page 5-9), a NSCR system is used to consume free oxygen (O<sub>2</sub>) and decolor the absorber tail gas, and reduce nitrogen oxide (NO) to elemental nitrogen (N<sub>2</sub>). Since the amendment of the discussion does not impact the findings of the CAM determination, no other revisions are necessary to the facility's proposed Title V permit or Statement of Basis. The CAM discussion will be revised in any future versions of Statement of Basis.

Comment 3: Agrium would like for a portion the compliance status discussion of District Rule 2.16 (Fuel Burning Heat or Power Generators) to be revised to reflect that the NSCR is a control device and therefore exempt from the rule's hourly SO<sub>x</sub>, NO<sub>x</sub>, and PM<sub>10</sub> emissions limits under the provisions of Section (c)(1) of the rule.

Response 3: The District agrees with the comment and will use this Title V Permit Comment Addendum to document that per the provisions of Section (c)(1) the nitric acid plant's permitted NSCR system of PTO P-37-82(a2) is exempt from the mass emission limits of Rule 2.16. Per Section (c)(1) of Rule 2.16, "fuel burning equipment serving primarily as air pollution control equipment by using combustion to destroy air contaminants shall be exempt from the provisions of (the) rule." Since the amendment of the discussion does not impact the findings of the compliance determination of PTO P-37-82(a2), no other revisions are necessary to the facility's proposed Title V permit or Statement of Basis. Since the Zeeco flare serving the bulk ammonia warehousing and transfer operation of P-70-78(a1) is also considered a fuel burning control device, the District will also consider the device exempt from the mass emission limits of Rule 2.16. The rule discussion will be revised in any future versions of Statement of Basis.

Comment 4: Agrium states that upon approval of District Rule 2.42 (Nitric Acid Production) into the California State Implementation Plan, the source shall request (under the provisions of Section 604) that the visible emission evaluations from the nitric acid plant be performed using U.S. EPA Method 22 (instead of Method 9 as required by PTO P-37-82(a2)).

Response 4: Comment noted.

**C. CARB Comments:**

On April 27, 2010, the District mailed hard copies of the proposed Title V permit renewal documents to the CARB office, and emailed electronic copies to Project Assessment Branch Chief Mike Tollstrup and Specialist Arthur Diamond. It is expected that the 45-day regulatory review period began on April 27, 2010, and ended on June 11, 2010. No comments were received from ARB during the comment period.

**D. EPA Comments:**

On April 27, 2010, the District mailed hard copies of the proposed Title V permit renewal documents to the U.S. EPA, Region IX offices, and emailed electronic copies to Air Division - Permits Office Chief Gerardo Rios and Reviewer Roger Kohn. As acknowledge by Mr. Kohn, the 45-day regulatory review period began on April 27, 2010 and ended on June 11, 2010. As received on June 10, 2010, Roger Kohn confirmed he did not have any project specific comment (see attached email). However, per the comments made by EPA on another recent Title V permit renewal (see attached email received 05/24/2010), the District will update the proposed Title V permit. For reference, these program related comments and the District's responses are summarized below.

Comment 1: EPA has determined that the annual compliance certification and semi-annual monitoring report submittal deadlines contained in the proposed Title V permit are not practically enforceable and has recommended that the affected conditions be revised to include explicit applicability periods and due dates. The comment also contains specific examples of acceptable condition language and reporting scenarios.

Response 1: The District agrees with the comment and will revise the affected Title V conditions to contain explicit applicability periods and report due dates. In order to document the inclusion of new language, the District will use this comment addendum to perform a streamline demonstration for each condition.

### **Streamlining Demonstration**

As shown below, the standard annual compliance certification reporting language of Rule 3.8 (Federal Operating Permits), will be streamlined under the provisions of Rule 3.4 to include specific reporting and submittal dates:

**Streamlined Requirement:** Section 302.14(a) of Rule 3.8 requires “the responsible official shall submit a compliance certification to the U.S. EPA and the APCO every twelve (12) months unless required more frequently by an applicable requirement. All compliance reports and other documents required to be submitted to the District by the responsible official shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.”

Revised Section IV, Condition E.1 (Compliance Certification) now reads:

*“The responsible official shall submit a compliance certification to the U.S. EPA and the APCO every twelve (12) months unless required more frequently by an applicable requirement. The twelve (12) month period will begin on the date that the Title V permit was originally issued (May 28), and will be due within thirty (30) days after the end of the reporting period, unless otherwise approved in writing by the District. All compliance reports and other documents required to be submitted to the District by the responsible official shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete. [District Rule 3.4 and District Rule 3.8, §302.14(a)]”*

The Rule 3.8 annual reporting requirements have been streamlined by the District Rule 3.4 requirement.

### **Streamlining Demonstration**

As shown below, the standard semi-annual monitoring report language of Rule 3.8, will be streamlined under the provisions of Rule 3.4 to include specific reporting and submittal dates:

**Streamlined Requirement:** Section 302.7(b) of Rule 3.8 requires “A monitoring report shall be submitted at least every six (6) months and shall identify any deviation from permit requirements, including that previously reported to the APCO pursuant to Section 302.7(a) of Rule 3.8.”

Revised Section IV, Condition L.2 (Recordkeeping) now reads:

*“A semi-annual monitoring report shall be submitted at least every six (6) consecutive months and shall identify any deviation from permit requirements, including that previously reported to the APCO pursuant to Section 302.7(a) of Rule 3.8. The six (6) month period will begin on the date that the Title V permit was originally issued (May 28), and will be due within thirty (30) days after the end of the reporting period, unless otherwise approved in writing by the District. [District Rule 3.4 and District 3.8, §302.7(b)]”*

The Rule 3.8 semi-annual reporting requirements have been streamlined by the District Rule 3.4 requirement.

**Comment 2:** EPA has identified that a portion of Section 302.14(a) of District Rule 3.8, has been omitted from the proposed Title V permit, and requests that the rule language be included in the permit.

**Response 2:** The District agrees with the comment and has revised Section IV, Condition E.1(Compliance Certification) to read:

*“The responsible official shall submit a compliance certification to the U.S. EPA and the APCO every twelve (12) months unless required more frequently by an applicable requirement. The twelve (12) month period will begin on the date that the Title V permit was originally issued (May 28), and will be due within thirty (30) days after the end of the reporting period, unless otherwise approved in writing by the District. All compliance reports and other documents required to be submitted to the District by the responsible official shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete. [District Rule 3.4 and District Rule 3.8, §302.14(a)]”*

**Comment 3:** EPA requests that citations for all streamlined permit requirements contained in the Title V permit be expanded to include citations of the subsumed requirements along with the most stringent rule requirements. EPA states that this citation methodology will comply with the guidance previously

established in EPA's "White Paper Number 2 for Improved Implementation of the Part 70 Operating Permits Program" (March 5, 1996), and will help to assure the public and EPA that all emission limits have been considered and included in the permit.

Response 3: The District agrees with the comment and has amended the rule citation of each affected Title V permit condition to include a reference to each subsumed rule requirement. The following list of condition numbers identifies each condition that has had its citation revised to include all subsumed rules. Except for the two previously discussed reporting conditions (see Comment 1 above), the Statement of Basis for this proposed Title V permit contains all of the necessary streamlining procedures (which remain unaffected by the rule citation amendment). Therefore, the condition language will not be listed here since it is not changing.

II. Specific Unit Requirements

A. Emission Limits:

A.1, A.2, A.3, A.4, A. 7, A.8, A.9, A.17, A.18, A.21, A.22, A.23, A.24, A.25, A.26, A.27, A.28, A.29, A.30, A.33, A.34, A.35

B. Work Practice and Operational Requirements:

B.18, B.19, B.20, B.27, B.35, B.36, B.40, B.41, B.42, B.43, B.44

C. Monitoring and Testing Requirements:

C.12

IV. Title V General Requirements

E. Compliance Certification:

E.1

K. Recordkeeping:

K.2

L. Reporting Requirements:

L.2

E. Recommendation:

Incorporate the above discussed items and issue the amended proposed Title V permit.

Engineer: Dani Tohdo

Date: 07/15/2010

Reviewed By: Susan K O'Malley

Date: 7/16/10

## Rene Toledo

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**From:** Kohn.Roger@epamail.epa.gov  
**Sent:** Thursday, June 10, 2010 8:34 AM  
**To:** Rene Toledo  
**Subject:** Re: Agrium Renewal

Hi Rene,

No comments from us on the renewal. Please send the final permit and SoB when permit is issued. Thanks.

**From:** "Rene Toledo" <rtoledo@ysaqmd.org>  
**To:** Roger Kohn/R9/USEPA/US@EPA  
**Date:** 06/10/2010 08:16 AM  
**Subject:** Agrium Renewal

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Good morning, Roger.

Last we spoke about the Agrium renewal, you said that you weren't sure if you were going to provide some project specific comments.

I will be out of the office tomorrow (Friday) and want to see if I could wrap up the Agrium Title V permit renewal before I left today. Other than the three program related comments you provided to us in the MM Yolo project (streamlining, certification dates, and omitted condition language) do you think there will be anything else? I have already updated the proposed Title V to incorporate the changes you requested.

Thanks in advance,

Rene

## Rene Toledo

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**From:** Kohn.Roger@epamail.epa.gov  
**Sent:** Thursday, May 20, 2010 5:19 PM  
**To:** Rene Toledo  
**Cc:** Susan McLaughlin  
**Subject:** EPA Comments on MM Yolo Power Renewal

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hello Rene,

Finished sooner than I thought so I'll send my comments now.

I have reviewed the District's proposed renewal the title V permit for MM Yolo Power, and I offer the following comments. These issues are not specific to the MM Yolo Power permit. Rather, they are recommendations about improvements the District could make to all of its title V permits. Although we are highlighting some problematic District title V permitting practices, EPA recognizes that it may not be practical to address these issues in all existing permits at this time, or even when individual permits are being modified to address other issues. However, the title V permit renewal process is an excellent opportunity for the District to perform QA/QC on existing permits and make improvements based on lessons learned in title V program implementation. Therefore EPA strongly recommends that the District address these issues when it renews the MM Yolo Power permit, and make the same changes to all other title V permits when they are processed for renewal.

The annual compliance certification and semi-annual monitoring conditions in the District's title V permits are not practically enforceable. The conditions require the certifications to be submitted "every 12 months" and the monitoring reports to be submitted "every six months". However the permit does not specify the exact periods of time that these certifications and reports must cover, provide the source time following the end of the reporting period to compile the data, or specify a deadline by which the certifications and reports must be submitted to the District. The District should revise these conditions to clarify these requirements and make them practically enforceable. For example, the District could require that compliance certifications be postmarked by January 30 of each year (or some other reasonable date) and cover the previous calendar year. Similarly, the District could require that the semi-annual monitoring reports cover the periods from January 1 to June 30 and from July 1 to December 31, and be postmarked by the 30th day following the end of the reporting period. While we have found that a calendar year cycle works well, the District is free to set any 12 month cycle desired, as long as it is specified in the permit. Regardless of what approach the District chooses to address this issue, the District should revise sections IV.E and IV.L of the MM Yolo Power permit to correct this deficiency.

The District's EPA-approved title V rule require that "All compliance reports and other documents required to be submitted to the District by the responsible official shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete." (See Rule 3.8, section 302.14.)

District title V permits that EPA has reviewed recently, including the proposed MM Yolo Power renewal, do not contain this requirement. The District must add this language to the permit.

The District frequently streamlines multiple overlapping emission limits as allowed in EPA guidance (White Paper Number 2 for Improved Implementation of the Part 70 Operating Permits Program, March 5, 1996). However, the citations of origin and authority for the streamlined emission limits in District title V permits refer only to the District NSR permits that contain the most stringent emission limits. In accordance with WP2, the District must also include all subsumed emission limits in these citations. When streamlining, it is important that title V permits cite all applicable requirements, including subsumed emission limits, because a source could be out of compliance with a streamlined limit but in compliance with one or more subsumed limits. Including complete authority citations in title V permits when streamlining has the added benefit of providing assurance to EPA and the public that all emission limits have been considered and included in the permit.

Roger Kohn  
USEPA Region 9 - Air Division (AIR-3)  
75 Hawthorne Street  
San Francisco, CA 94105-3901

## Rene Toledo

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**From:** John Killey [JKilley@agrium.com]  
**Sent:** Tuesday, May 11, 2010 1:26 PM  
**To:** Rene Toledo  
**Subject:** Proposed Title V Operating Permit F-00470-8

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Thank you for discussing by telephone yesterday the above permit and it's supporting documentation. Agrium would like to make the following comments:

### **Statement of Basis**

#### **1. Facility Description, page 1**

First paragraph: Note that besides receiving anhydrous ammonia by barge or ship, we also receive it periodically by rail.

Second paragraph: Note that besides shipping anhydrous ammonia by tanker trucks, we also ship it periodically by rail.

However, I believe these additions do not materially affect the Statement of Basis and are made more for completeness.

### **40CFR Part 64 Compliance Assurance Monitoring**

#### **Compliance Status, page 51**

Specifically for the NOx emissions, the nitric acid plant:

Paragraph b. Note that the non-selective catalytic reduction system is solely in place to control emissions from the nitric acid plant and does not itself produce nitric acid.

### **RULE 2.16 Fuel Burning Heat or Power Generators**

**Streamlined Requirement, page 17, last paragraph** "..... daily SOx, NOx, PM emission limits of the nitric acid production plant ....."

Because the decomposer (NSCR system) is solely a control device (see immediately previous comment) and is not directly an integral part of the process, we believe it falls under the exemption of District Rule 2.16.c.1. Notwithstanding, we believe we are in compliance with the Rule.

Note that the decomposer was not listed in the text of Compliance Status near the top of page 17.

### **Your e-mail April 20, 2010, RE: Comments on Proposed Title V F-00470-8**

This e-mail was in response to mine of April 19 which was included in your reply

#### **1. Request to Replace Method 9 with Method 22**

When the Districts Rule 2.42 Nitric Acid Production becomes SIP approved, we anticipate requesting the District and U.S. EPA approval to perform the visible emissions evaluations by Method 22 per section 60.4

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